

BALISOK & KAUFMAN, PLLC

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Proposed Attorneys for the Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

JUAN ALFARO DESIGN, INC.,

Case No. 19-42177-cec

Debtor.

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**DECLARATION IN SUPPORT OF MOTION FOR HEARING ON SHORTENED
NOTICE TO CONSIDER THE DEBTOR'S FIRST DAY MOTIONS**

Joseph Y. Balisok, Esq., declares the following under the penalty of perjury pursuant to 11 U.S.C. § 1746:

- 1) I am a principal of the law firm of Balisok & Kaufman, PLLC, proposed counsel for Juan Alfaro Design, Inc. (the "Debtor"), and as such I am fully familiar with the facts and circumstances of this case.
- 2) I make this declaration in support of Debtor's motion for an Order scheduling a hearing on shortened notice pursuant to Bankruptcy Rule 9006(c) to consider the Cash Collateral Motion to enable the Debtor to use Cash Collateral to pay various parties in the ordinary course of business; the Employee Wage Motion is to enable it to pay post-petition employee wages; the Insurance Motion is to enable the Debtor to maintain continuous business insurance programs; the Utilities Motion to prohibit utility companies from discontinuing utility services; and the Critical Vendors Motion to pay pre-petition debts to critical vendors (collectively, the "First Day Motions").

- 3) This case was commenced on April 10, 2019, by filing a voluntary Chapter 11 petition.
- 4) The Debtor is a boutique metal fabrication company servicing clientele in the New York City area. The Debtor maintains its offices at 183 King Street in Brooklyn.
- 5) The successful conclusion of this Chapter 11 case requires that the Debtor continue its operations unabated, to use cash collateral, to use its existing bank accounts, to maintain employees, to maintain uninterrupted utility services, to retain uninterrupted insurance policies, and be able to reimburse critical vendors.
- 6) A key to operating the business as usual is the ability to use cash collateral to pay various parties in the ordinary course of business.
- 7) A key to operating the business as usual is the ability to maintain continuous insurance policies.
- 8) A key to obtaining good and cooperative employees is the ability to pay them in full and on time. The payroll is normally made every Friday and covers the period extending from the previous Monday through Friday.
- 9) The proposed payment of wages and salaries does not include any payments to the Debtor's principal, Juan Alfaro, who does not receive wage compensation from the Debtor.
- 10) The Debtor plans to use the revenue generated from the employees to pay them their wages, so there is no jeopardy to the Debtor's cash flow by making the proposed payment. As such, there is no prejudice to creditors if the Wage Motion is granted.
- 11) The business needs the use of utilities like lights and electricity to operate its business.
- 12) A key to retaining the business relationship of these critical vendors is to pay them the money owed to them. The details of the amount owed to them is set forth in the Critical

Vendors Motion, but essentially the total amount owed to the critical vendors is approximately \$21,000.00, covering services by metal suppliers, gas suppliers and engineers.

- 13) The Debtor has sufficient cash on hand to reimburse the critical vendors, so there is no jeopardy to the Debtor's cash flow by making the proposed payment. As such, there is no prejudice to creditors if the Critical Vendors Motion is granted.
- 14) Conversely, the negative impact on the business relationship between these vendors would be potentially devastating, and adversely affect the operations of the Debtor going forward.
- 15) In light of the timing, the Debtor seeks the entry of an Order authorizing the Debtor to schedule an emergency hearing on shortened notice to consider the First Day Motions.

Dated: Brooklyn, New York
April 15, 2019

/s/ Joseph Y. Balisok
Joseph Y. Balisok
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In re:

Chapter 11

JUAN ALFARO DESIGN, INC.,

Case No. 19-42177-cec

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**ORDER SCHEDULING HEARING TO CONSIDER THE DEBTOR'S FIRST DAY
MOTIONS FOR ENTRY OF AN ORDER AUTHORIZING DEBTOR TO I) USE CASH
COLLATERAL, II) PAY POST-PETITION EMPLOYEES' WAGES, III) MAINTAIN
BUSINESS INSURANCE PROGRAMS, IV) PROHIBIT UTILITY COMPANIES FROM
DISCONTINUING UTILITY SERVICES, V) PAY PREPETITION DEBTS TO
CRITICAL VENDORS, VII) PAY ACCRUED PREPETITION WAGES, SALARIES
AND WITHHOLDINGS**

Upon the motions of JUAN ALFARO DESIGN, INC (the "Debtor") and the Declaration of Joseph Y. Balisok, Esq. in support thereof (the "Scheduling Motion"), seeking to shorten the notice period so that an expedited hearing may be held to consider the motions of the Debtor to, enable the Debtor to use Cash Collateral to pay various parties in the ordinary course of business; to enable it to pay postpetition employee wages; to enable the Debtor to maintain continuous business insurance programs; to prohibit utility companies from discontinuing utility services; to pay pre-petition debts to critical vendors (collectively, the "First Day Motions"); and good and sufficient cause having been shown pursuant to Bankruptcy Rule 9006(c) to reduce and shorten the regular notice period under Local Rule 9006-1 for consideration of the First Day Motions; it is hereby

ORDERED, that an initial hearing to consider the Wage Motion shall be held before the Honorable Carla E. Craig, at the United States Bankruptcy Court for the Eastern District of New York, located at 271 Cadman Plaza East, Brooklyn, New York in Courtroom 3529 on April _____, 2019 at _____:00 ____m. (the "Hearing"); and it is further

ORDERED, that objections, if any, to the any of the Motions shall be filed with the Clerk of the Bankruptcy Court through the Bankruptcy Court's electronic case filing system ("ECF"), with a courtesy copy delivered to Judge Craig, and served on counsel to the Debtor, Balisok & Kaufman PLLC, 251 Troy Avenue, Brooklyn, NY 11213, Attn: Joseph Y. Balisok., so as to be received no later than the commencement of the Hearing; and it is further

ORDERED, that notice of the Hearing and the Motions shall be sufficient if, on the date hereof, copies of this Order and the First Day Motions are sent by overnight delivery no later than April _____, 2019 to (i) the United States Trustee; (ii) all persons who filed requests for the notice with the Clerk of the Court; (iii) the twenty (20) largest creditors of the Debtor; (iv) New York State Department of Taxation and the IRS; and (v) all creditors who have filed UCC-1 financing statement which have not been canceled of record; and it is further

ORDERED, that proof of service shall be filed on or before April _____, 2019.

Dated: Brooklyn, New York
April _____, 2019

HONORABLE CARLA E. CRAIG
UNITED STATES BANKRUPTCY JUDGE